



SENATE TAXATION

EXHIBIT NO. 3

DATE 1-11-07

BILL NO. SB-121

January 11, 2007

TO: Members of the Senate Taxation Committee

FROM: Jim Madison, volunteer advocate AARP Montana

RE: **Support of SB 121**

Mr. Chairman and members of the committee, my name is Jim Madison here today as a volunteer advocate for AARP Montana to testify in support of SB 121. As a matter of background, I worked for the state Department of Revenue for thirty years and have been involved in tax preparation for many years.

Tax returns contain very sensitive information about a person like social security numbers, sources of income, number of children, medical expenses, marital status, and so on. Protecting the privacy of this information is paramount to most people. Most people assume that tax preparers handle their personal information with great respect for its privacy. Unfortunately, databases of consumer information are very valuable, providing a strong incentive for tax preparers to sell consumer information.

In today's world, there are an abundance of data bases for marketing purposes and certainly, there is no compelling reason that tax return information needs to be made available for marketing. In addition, data bases of personal tax information are a gold mine for identity thieves and marketing this information will only add to the proliferation of the horrible crime of identity theft.

SB 121 exempts CPAs from this legislation because CPAs follow a strict professional code of ethics. However, other third party tax preparers do not have professional codes and the only way to protect taxpayer information is through this measure.

I am giving you a very informative article on this topic, by MSNBC reporter Bob Sullivan. Please take the time to read it.

In the interest of privacy of personal information, tax preparers should not be able to sell your personal information. I urge you to support SB 121.

AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole.